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MEDIUM-TERM PROGRAMME FRAMEWORK, 2002-2005

Proposals of the Director-General

Discusses the programmatic transformation in UNIDO since the adoption of decision GC.2/Dec.23, and explains the approach to comply with General Conference decisions GC.6/Dec.10 and GC.7/Dec.15 on the medium-term programme framework.

Introduction

1. Since the 1987 adoption by the General Conference of decision GC.2/Dec.23 establishing a mandate for a medium-term plan, an evolution has taken place that in part has been reflected in decisions on the subject adopted by the policy-making organs. In particular, in 1995, the Conference adopted decision GC.6/Dec.10, which renamed the medium-term plan the "medium-term programme framework" (MTPF), and reduced its coverage from six to four years. Subsequently, the adoption of the Business Plan on the Future Role and Functions of UNIDO was to have implications for the medium-term programme framework.

I. PROGRAMMATIC TRANSFORMATION

2. Documentation submitted to the policy-making organs during the biennium 1998-1999 reflected the impact of the programmatic transformation on the MTPF for 2000-2003 and future periods. At its twentieth session, the Board considered the preview of the MTPF (IDB.20/9-PBC.14/8). The proposed MTPF, 2000-2003 (IDB.21/13-PBC.15/13), submitted to the Board at its twenty-first session, was subsequently considered by the General Conference. A conference room paper summarized the status of development of the UNIDO project and programme portfolio, which constituted the medium-term programme framework (IDB.21/CRP.7).

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3. The documentation on the MTPF, 2000-2003, introduced the new programmatic orientation and its set of basic principles. Specifically, under the transformation process, the approach to define and offer UNIDO programmatic services has changed. Within the guidance set out in the Business Plan and the framework of the reform initiatives of the United Nations Secretary-General, UNIDO commenced to sharpen its profile and strengthen its relevance as the central coordinating agency in the field of industrial development. In support of system-wide initiatives to carry out country assessments and development assistance frameworks, UNIDO focuses on the elaboration and implementation of comprehensive integrated programmes in support of sustainable industrialization efforts of developing countries and economies in transition.

4. In the documentation prepared on the MTPF, 2000-2003, it was pointed out that the medium-term programme framework would be structured by the new integrated programmes. The integrated programmes would:

- Reflect the dual role of UNIDO as a global forum and partner of specialized technical cooperation;

- Emphasize UNIDO's support to African and least developed countries and, in that context, ensure adequate geographical coverage in accordance with the Business Plan.

5. The documents highlighted the innovations achieved during the transformation of UNIDO and proposed to align the MTPF process with the integrated programme approach adopted by UNIDO. Moreover, the revised MTPF approach, for the first time, transparently linked the framework to the programme and budgets. This was possible owing to new features in the programme and budgets:

- All substantive programmes are described under two major programmes, as set out in the Business Plan: strengthening industrial capacities, and cleaner and sustainable industrial development;

- The programmes listed under each major programme are synonymous with UNIDO's 16 service modules;

- Subprogramme-level presentations have been replaced with summaries of the services to be provided.

6. At the time of preparation of the proposed MTPF, 2000-2003 (April 1999), the Organization was engaged in a massive integrated programming exercise. The proposal explained that the design of the programme and budgets, as well as its programmatic framework, underscored the primacy of integrated programmes as stipulated by the Business Plan. Integrated programmes are designed:

- To combine service modules or their underlying services to address major problems of industrial development;

- To ensure that UNIDO clients benefit from tailor-made programmes which provide the full range of services that can be offered by the Organization;

- To provide an effective response to the intensive dialogue between the country and UNIDO. This ensures relevance, ownership, sustainability and ultimately impact;

- To respond to constraints faced by countries in their pursuit of their development goals, which aim at economic development, employment generation and environmental improvement.

7. The proposal suggested that the identification, approval and implementation of integrated programmes was a continuous process that not only needed to reflect the changing requirements of client countries but also had to be adjusted to donor priorities. It is significant that the new programme approach has placed the Organization in a position to continuously update its medium-term programme framework from 1999 and beyond. Thus, since that time, UNIDO's programmatic framework has been synonymous with what the Organization actually plans to accomplish, as set out in the approved and funded integrated programmes.

8. While the integrated programmes, which combine the UNIDO service modules, are considered the nucleus of the programme framework, "stand-alone" services under the service modules are available to countries with no integrated programme. In addition, the recently-established Office for Policy Issues and Strategic Research is developing a strategy for global forum and research activities. This strategy, which will draw on UNIDO technical cooperation programmes, will be the subject of a separate report to the Board.

II. REPORTING ON INTEGRATED PROGRAMMES

9. In document IDB.22/7, the Director-General reported on the implementation of the integrated programmes as of 7 April 2000. As at 19 May, 41 integrated programmes had been approved, and 33 were ongoing: 12 in Africa, 6 in Arab countries, 4 in Asia and the Pacific, 6 in Europe and NIS and 5 in Latin America and the Caribbean. Up-to-date progress reports (as of 30 April 2000) on each approved programme were distributed informally to the Board at its twenty-second

session. Information on indicators and impact in the programmes was provided in a conference room paper (IDB.22/CRP.3).

10. Updated reports on the UNIDO portfolio of integrated programmes will be provided regularly to future sessions of the Board and the General Conference, including information on the financing of integrated programmes for individual countries.

III. PRELIMINARY INDICATIVE GENERAL CEILING FOR THE PROGRAMME AND BUDGETS, 2002-2003

11. In its decision GC.2/Dec.23, the General Conference stipulated that the medium-term plan should indicate a general ceiling for the following biennium based on anticipated financial and human resources and on programme activity. While the capacity of UNIDO to deliver essential services and ensure their impact continues to be restricted by limited resources, the Director-General also acknowledges the constraints of Member States in their national budgets. Against this background, the Director-General intends to propose for the 2002-2003 regular budget a general ceiling representing zero real growth.

IV. ACTION REQUIRED OF THE COMMITTEE

13. The Committee may wish to recommend to the Board the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Recalls General Conference decision GC.6/Dec.20;

"(b) Takes note of the approach outlined for the medium-term programme framework, including the preliminary indicative general ceiling for the biennium 2002-2003 (IDB.23/4-PBC.16/5)."